

AMER. EXPRESS NYSE-AXP			RECENT PRICE	64.85	P/E RATIO	11.2	(Trailing: 12.1 Median: 15.0)	RELATIVE P/E RATIO	0.60	DIV'D YLD	2.0%	VALUE LINE							
TIMELINESS	4	Lowered 4/29/16	High: 59.5	62.5	65.9	52.6	42.3	49.2	53.8	61.4	90.8	96.2	93.9	68.2	Target Price	Range			
SAFETY	1	Raised 8/14/15	Low: 46.6	49.7	50.4	16.5	9.7	36.6	41.3	47.4	58.3	78.4	67.6	50.3	2019	2020	2021		
TECHNICAL	4	Raised 5/13/16	LEGENDS 14.0 x Earnings p.sh Relative Price Strength Options: Yes Shaded area indicates recession																
BETA	1.00	(1.00 = Market)																	
2019-21 PROJECTIONS			Price	95	Gain	(+45%)	Ann'l Total Return	12%											
Insider Decisions			J	A	S	O	N	D	J	F	M								
to Buy			0	0	0	0	0	0	1	0	0								
Options			1	0	0	3	0	1	14	0	0								
to Sell			1	0	0	2	0	0	0	0	0								
Institutional Decisions			202015	302015	402015														
to Buy			544	504	469														
to Sell			612	623	671														
Hld's(000)			818669	815148	800635														
			Percent shares traded	18	12	6													
On November 14, 2008, American Express became a bank holding company under the BHC Act subject to the supervision and examination by the Federal Reserve of the United States. Thus, in order to better represent American Express' operations, we have altered our financial presentation. ^D															% TOT. RETURN 4/16 THIS STOCK VL ARITH. INDEX 3 yr. -14.1 -3.4 5 yr. -0.8 29.5 5 yr. 42.3 47.7				
CAPITAL STRUCTURE as of 3/31/16															© VALUE LINE PUB. LLC 19-21				
ST Debt \$2596 mill. Due in 5 Yrs \$45700 mill.															Earnings per sh ^A 6.25				
LT Debt \$47311 mill. LT Interest \$1150 mill.															Div'ds Decl'd per sh ^B 1.70				
(Total interest coverage ¹⁵ : 6.9x)															Book Value per sh 25.00				
(70% of Cap'l)															Common Shs Outst'g ^C 800.00				
No Defined Benefit Pension Plan															Avg Ann'l P/E Ratio 14.0				
Leases, Uncapitalized Annuals rentals \$187 mill.															Relative P/E Ratio .90				
Pfd Stock Series B \$750 mill. Div'd 5.2%															Avg Ann'l Div'd Yield 1.9%				
Series C \$850 mill. Div'd 4.9%																			
Common Stock 951,033,100 shs. as of 4/20/16																			
MARKET CAP: \$61.7 billion (Large Cap)																			
FINANCIAL POSITION (\$MILL.)			2014	2015	3/31/16														
Cash Assets			22288	22762	25045														
Invest. Sec's			4431	3759	3839														
Receivables			47000	46695	46660														
Other			85384	87968	83272														
Total Assets			159103	161184	158816														
Deposits			44171	54997	55764														
Accounts Payable			11300	11822	12027														
Other			82959	73692	70298														
Total Liab.			138430	140511	138089														
ANNUAL RATES of change (per sh)			Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15														
Loans			5.0%	2.5%	2.0%														
Earnings			4.0%	.5%	3.0%														
Dividends			8.5%	13.0%	9.5%														
Book Value			4.0%	-2.0%	4.0%														
Cal-endar	QUARTERLY REVENUES (\$ mill.) ^E					Full Year													
	Mar.31	Jun.30	Sep.30	Dec.31															
2013	7881	8245	8301	8547	32974														
2014	8199	8657	8329	9107	34292														
2015	7950	8284	8193	8391	32818														
2016	8100	8500	7700	7900	32200														
2017	7650	8000	8150	8450	32250														
Cal-endar	EARNINGS PER SHARE ^A					Full Year													
	Mar.31	Jun.30	Sep.30	Dec.31															
2013	1.15	1.27	1.25	1.21	4.88														
2014	1.33	1.43	1.40	1.39	5.56														
2015	1.48	1.42	1.24	1.23	5.39														
2016	1.45	2.00	1.10	1.05	5.60														
2017	1.30	1.40	1.45	1.50	5.65														
Cal-endar	QUARTERLY DIVIDENDS PAID ^B					Full Year													
	Mar.31	Jun.30	Sep.30	Dec.31															
2012	.18	.20	.20	.20	.78														
2013	.20	.20	.23	.23	.86														
2014	.23	.23	.26	.26	.98														
2015	.26	.26	.29	.29	1.10														
2016	.29	.29																	
BUSINESS: American Express Company is a leading global payments, network, and travel firm established in 1850. Its business segments are: Global Consumer Group and Global Business-to-Business Group. Divested AMEX Life, 10/95; American Express Bank, 2/08. Spun off Lehman Brothers to shareholders, 5/94; American Express Financial Advisors, 9/05. Had approximately 54,000 employees at 12/31/14. Officers and directors own approximately 1.0% of the company's common stock; Berkshire Hathaway, 14.9%; Capital World Investors, 5.6%; BlackRock, 5.5% (3/16 Proxy). Chrmn. & CEO: Kenneth I. Chenault. Incorporated: New York. Address: 200 Vesey Street, New York, New York 10285. Telephone: 212-640-2000. Internet: www.americanexpress.com.																			
After a prolonged downturn, shares of American Express have rebounded of late. During 2014 and 2015, the stock was one of the Dow's poorest performers, having declined almost 25% in price. For comparison, the blue chip index was up 6% during that same time frame. Moreover, the price weakness persisted over the first few weeks of 2016. However, since our February report, AXP has found new life and has advanced about 20%. The multi-year price decline, for the most part, can be attributed to the credit card behemoth losing transaction exclusivity with Costco. The membership warehouse chain accounted for a material percentage of American Express' total transactions. The absence of Costco will hamper near-term results. That said, as part of the separation, Amex will soon register a \$1 billion sale of the Costco portfolio. This will certainly help 2016 share net, though we only expect a small earnings gain in 2017. We think that bargain-hunters have helped the stock more recently. Just a few months ago, AXP was trading at less than 10 times our 12-month share-net estimate, which was far lower than the his-																			
torical average, as well as the multiple we project out three to five years. What's more, we think that investors are on board with management's new strategies to offset the loss of Costco (discussed below). We think that the company's operations will recover over the longer term. It has already begun allocating greater funds and resources toward marketing initiatives and technology in order to attract new card members. Management also mentioned that it will focus on restructuring and streamlining operations, and may consider acquisitions. However, a game-changing purchase is probably not on the horizon due to the complicated and costly nature of such deals. All told, we agree with management's approach, though it will certainly take time for these endeavors to bear fruit. We think that untimely AXP may interest patient investors. The near-term picture, as mentioned, is unexciting. However, Amex should be able to eventually return to posting healthy annual profit gains. In sum, risk-adjusted total return potential to 2019-2021 is worthwhile. Ian Gendler May 13, 2016																			

(A) Fully diluted earnings. May not sum to total due to rounding. Excludes \$0.34 non-recurring charge in 2015. Next eps report due mid-July.

(B) Div'd's historically paid in mid-Feb., May, Aug., and Nov. Div'd reinv. plan available.

(C) In millions.

(D) Began reporting as a bank holding company on 11/14/08.

(E) Revenues are net of interest expense.

Company's Financial Strength	A++
Stock's Price Stability	80
Price Growth Persistence	70
Earnings Predictability	65

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